

# Mortgage+Care

## Dodd-Frank, CFPB Rule Changes

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Starting January 10, 2014 several rule changes take effect. This article only covers certain Dodd Frank and Consumer Financial Protection Bureau changes that **may** affect your loan servicing business. This is not an exhaustive list of regulation changes.

For more information view this article: [http://files.consumerfinance.gov/f/201306\\_cfpb\\_compliance-guide\\_2013-mortgage-servicing-rules.pdf](http://files.consumerfinance.gov/f/201306_cfpb_compliance-guide_2013-mortgage-servicing-rules.pdf)

Most of the new rules address ability to repay, delinquency intervention, force-placed insurance, rate adjustments, and servicing policies. These should be reviewed with your compliance director or your attorney.

**These new rules apply to consumer purpose 1-4 unit loans. Not business purpose loans.**

**There is also "small servicer" exception to some of these rules if you service 5,000 loans or less, and you originated or were assigned these loans.**

**If you service consumer purpose loans for other parties, you do not qualify for this exemption.**

New rules if are not exempt:

- You must send your borrowers periodic statements every billing cycle. Check with our support department to make sure your statement form contains the required fields.
- If a loan is 45 days or more delinquent, a delinquency notice must be sent. Since our delinquency letters are user defined, you will want to work with our support department to make sure your delinquency letters are compliant.

Line of credit loans (incremental loans) are exempt from these statement and delinquency requirements.

If you make adjustable rate loans **on primary residences (owner occupied)**, you must notify borrowers well before any rate change. There is no small servicer exception for this requirement. Review the [CFPB guide](#) for notification requirements and date ranges.

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